

FIRM BROCHURE
FOR
ECHINUS ADVISORS, LLC

a Delaware limited liability company

CONTACT INFORMATION:

Attn: Philip Yang
Chief Financial Officer & Chief Compliance Officer
Echinus Advisors, LLC
63 Crosby Street, 4th Floor
New York, NY 10012
(646) 759-7903
philip.yang@echinuspartners.com

Part 2A of Form ADV: Firm Brochure

March 25, 2020

This brochure provides information about the qualifications and business practices of Echinus Advisors, LLC (“Echinus Advisors”, “Echinus” or the “Firm”). If you have any questions about the contents of this brochure, please contact us by telephone at (646)759-7903 or by email to philip.yang@echinuspartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Echinus Advisors, LLC is also available on the SEC’s website at <https://adviserinfo.sec.gov>.

Although this document may refer to Echinus Advisors, LLC as “registered” or a “registered investment adviser,” registration does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

There are no material items to note since Echinus' previous annual amendment filing on March 28, 2019.

ITEM 3: TABLE OF CONTENTS

	<u>Page</u>
Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees and Side-by-Side Management	6
Item 7: Types of Clients	7
Item 8: Method of Analysis, Investment Strategies and Risk of Loss	7
Item 9: Disciplinary Information	12
Item 10: Other Financial Industry Activities and Affiliations	12
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Item 12: Brokerage Practices	14
Item 13: Review of Accounts	16
Item 14: Client Referrals and other Compensation	16
Item 15: Custody	17
Item 16: Investment Discretion	17
Item 17: Voting Client Securities	17
Item 18: Financial Information	18

ITEM 4: ADVISORY BUSINESS

Echinus Advisors, LLC (“**Echinus Advisors**”) is a Delaware limited liability company formed in May 2012 with its principal place of business located at 63 Crosby Street, 4th Floor, New York, New York 10012. The principal owners of Echinus Advisors are Mr. Philip Uhde and Mr. Mark Haworth, and Mr. Uhde has overall responsibility for the day-to-day supervision and management of Echinus Advisors’ business.

Echinus Advisors provides investment advice to four Funds, namely Echinus Partners, LP, which is a Delaware limited partnership (the “**Domestic Fund**”), Echinus Partners, Ltd., which is a Cayman Islands exempted company (the “**Offshore Fund**”), and two co-Investment vehicles, Libertador Partners, LP, a Delaware limited partnership and Granite Tunnel Partners (Cayman), LP, a Cayman Island exempted company, (each a “**Co-Investment Vehicle**” and collectively the “**Co-Investment Vehicles**”). The Domestic Fund, the Offshore Fund and the Co-Investment Vehicles are sometimes referred to herein together as the (“**Funds**”). The Offshore Fund invests substantially all of its assets in the Domestic Fund which serves as a master fund and operates as a mini master-feeder structure. The Co-Investment Vehicles are special purpose vehicles that were established to allow certain investors to gain concentrated exposure to certain positions that are held in the Domestic Fund. The Domestic Fund and the Co-Investment Vehicles are managed by the general partner, Echinus Capital, LLC (“**Echinus Capital**”). The Domestic Fund is commonly referred to as a 3c-1 fund (referring to a section of the Investment Company Act of 1940, as amended) and offers limited partnership interests in several series to investors who are “accredited investors” as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and who satisfy the “qualified client” standard of the Advisers Act. The Offshore Fund offers shares in several classes to foreign investors and U.S. tax-exempt investors. Echinus Advisors provides its services to the Funds in accordance with investment management agreements between Echinus Advisors and the Funds. The Domestic Fund does not charge any management fees to or impose any performance-based allocation on the Offshore Fund as the Offshore Fund pays these amounts directly to Echinus Advisors and Echinus Capital LLC respectively. In the future, Echinus Advisors may provide advisory services to managed accounts or additional unaffiliated funds or may develop and sponsor one or more additional private investment funds.

Echinus Advisors directs the investment program of the Funds on a discretionary basis using an opportunistic “value” based investment strategy, as described in *Item 8: Method of Analysis, Investment Strategies and Risk of Loss*. Echinus Advisors conducts its own fundamental research on a wide range of companies to determine their qualification for initial and continuing investment by the Funds. The focus of the Domestic Fund is generally publicly-traded equities, but the Domestic Fund may also invest in other levels of a company’s capital structure such as senior or subordinated debt, stock and index options, and other specified securities. The focus of the Co-Investment Vehicles is generally investing in concentrated positions of certain publicly-traded equities that are also held in the Domestic Fund.

Echinus Advisors provides portfolio advisory and management services to the Domestic and Offshore Funds as well as the Co-Investment Vehicles based on the investment objectives of

the Funds and not based on the criteria or investment objective of any individual investor in the Funds.

Echinus Advisors does not participate in wrap fee programs.

As of December 31, 2019, Echinus Advisors had approximately \$1,562,404,895 of regulatory assets under its management in the Funds, all of which is managed on a discretionary basis. Echinus Advisors does not manage any assets on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

The offering documents for the Funds set forth the specific fees and other material terms regarding an investment in the Funds. The Funds offer interests or shares (depending upon the fund) in various classes, each with different management fees, performance allocations and lock-ups.

All investors in the Domestic Fund and Offshore Fund generally pay a non-refundable management fee to Echinus Advisors which ranges by class of interests or shares from one (1%) percent to two (2%) percent per annum. The management fee for the Domestic Fund and Offshore Fund is charged on a pro-rated monthly basis, in advance, based on the net assets attributable to each of the investors. Investors pay the management fee on the first day of each month. No portion of the management fee is refundable if an investor withdraws during a month. Investors are not charged any redemption fees. The Co-Investment Vehicles do not pay a management fee.

Echinus Capital LLC receives annual performance-based allocations from each investor in both the Domestic and Offshore Funds. This performance-based compensation is tracked and payable at the Domestic Fund level with respect to all investors. Depending on the particular class of shares or series of interests, performance-based allocations range from 12.5% to 20% of “new appreciation,” i.e., increase in net asset value attributable to a particular investor in excess of any high-water mark, with adjustments made for fees and expenses (including management fees). The Co-Investment Vehicles pays Echinus Capital a performance-based allocation of 10% of “new appreciation,” i.e., increase in net asset value attributable to a particular investor in excess of any high-water mark, with adjustments made for fees and expenses. This performance-based allocation is more fully described in *Item 6: Performance-Based Fees and Side-by-Side Management*.

Neither the management fee nor the performance-based allocation is negotiable, but Echinus Advisors or Echinus Capital, as applicable, has the sole discretion to waive or reduce any compensation it is entitled to receive with respect to any investor.

Through the Funds, each investor indirectly pays for its share of all costs and expenses directly related to investment transactions, including brokerage commissions, borrowing charges on securities sold short, interest on margin accounts, custodial fees, database subscriptions and investment data, legal, accounting and audit fees and expenses, tax-preparation fees, governmental fees and taxes, bookkeeping and other professional fees, printing and mailing expenses, syndication and other expenses of the continuing offering of the Interests, costs of fund reporting, costs of fund governance activities (such as obtaining Partner consents if and when necessary and appropriate), costs and expenses associated with negotiating and entering into contracts and

arrangements in the ordinary course of the fund's business, costs and expenses of third party administrators retained for fund purposes, costs and premiums of any fidelity and performance bonds and general partner liability and errors and omission insurance coverage obtained in Echinus Capital's discretion, extraordinary expenses of the fund, such as litigation costs, and all other reasonable expenses related to the operation of the fund and/or the purchase, sale or transmittal of fund assets, as Echinus Capital determines in its sole discretion. Investors in the Offshore Fund bear their pro rata share of expenses relating to the operation and administration of that fund. Investors in the Co-Investment Vehicles are also responsible for all organizational and initial offering costs of the Co-Investment Vehicles, in addition to all the costs stated above. All respective fund expenses are outlined in more detail in each fund's governing documents.

Neither Echinus Advisors nor its principals, executive officers or employees accept commissions or other compensation for the sale of shares or interests in the Funds or in connection with the purchase or sale of any securities for the Funds.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As "accredited investors" under the Securities Act and "qualified clients" under the Advisers Act, investors are typically charged a non-refundable performance-based allocation (the "Performance-Based Allocation"). The Performance-Based Allocation for the Domestic and Offshore Funds is payable annually at the beginning of each year based upon performance in the prior year in an amount ranging from 12.5% to 20% of "new appreciation" (*i.e.*, the increase in net asset value attributable to a particular investor in excess of any high water mark, with adjustments made for fees and expenses (including management fees)). The Co-Investment Vehicles' Performance-Based Allocation is payable at the end of the 3-year investment period based upon performance during the term in an amount equal to 10% of "new appreciation".

The Performance-Based Allocation is payable at the Domestic Fund level for the mini-master structure and paid directly by the Co-Investment Vehicles. The Performance-Based Allocation is also subject to a "high water mark" so that Echinus Capital, the affiliated General Partner of the Onshore Fund, is only entitled to receive the Performance-Based Allocation from any investor if profits for that period are sufficient to recoup all prior losses allocated to the investor's account, thus surpassing the previous "high-water mark." For purposes of calculating the Performance-Based Allocation, net profits include both realized and unrealized gains. If an investor makes a withdrawal during the fiscal year, net profits are calculated as of the date of withdrawal and the investor is charged the Performance-Based Allocation as of the effective date of withdrawal.

The existence of the Performance-Based Allocation could theoretically incentivize Echinus Advisors to manage the Funds' portfolios in a more aggressive, risky manner; however, Echinus Advisors attempts to minimize this risk by ensuring that it is managing the Funds' portfolio in accordance with the Funds' stated investment objectives. In addition, the Performance-Based Allocation received by Echinus Advisors is based on both realized and unrealized gains and losses. As a result, the Performance-Based Allocation earned could be based on unrealized gains that Investors may never realize.

Trading is conducted primarily by the Domestic Fund in which the Offshore Fund is a limited partner and all allocations within the Domestic Fund are allocated to investors proportionally based on their capital, Echinus Advisors is not subject to any conflict of interest that could otherwise be present if some accounts or investors were charged a performance-based allocation and others were not. The Co-Investment Vehicles have a specific trading mandate to invest in a limited number of positions that are also in the Domestic Fund. Echinus Advisors will analyze trade allocation on a case by case basis and address any conflicts of interest that may arise. Echinus Advisors performs advisory services in accordance with its fiduciary duties to all clients and addresses any potential conflicts that may influence performance. Allocations between accounts are generally allocated on a pro rata basis based on assets under management or in some other manner, as Echinus Advisors is determined to be fair and equitable under the circumstances.

ITEM 7: TYPES OF CLIENTS

Echinus Advisors provides portfolio advisory and management services solely to the Funds based on their investment objectives and not based on the criteria or investment objectives of any individual investor of the Funds. The Funds require newly admitted investors to be “accredited investors” under Regulation D of the Securities Act and “qualified clients” under the Advisers Act. Additionally, the Domestic and Offshore Funds each have a minimum investment requirement of \$5,000,000 for investors, although this minimum may be waived or reduced as provided in the offering documents of each fund.

Echinus Advisors also provides portfolio advisory and management services to the Co-Investment Vehicles based on the specific trading mandate to invest in a limited number of positions that are also in the Domestic Fund.

ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

INVESTMENT STRATEGY

Echinus Advisors utilizes a strategy of opportunistic “value” oriented investments in its effort to maximize long-term absolute total returns, in variable market and economic conditions, while also emphasizing preservation of capital. Echinus Advisors seeks to identify securities which, due to market inefficiencies, trade at prices that are believed to be significantly mispriced compared to their intrinsic value. Echinus Advisors typically has a significant long bias, though it may use short positions in the Domestic and Offshore Funds to hedge against a specific identified company risk or sector exposure.

Echinus Advisors applies a private equity-oriented investment style by engaging in a lengthy and exhaustive due diligence process culminating in concentrated, involved investments over an extended period of time. The focus of the Funds is generally publicly-traded equities, but the Domestic and Offshore Funds may also invest in other levels of a company’s capital structure such as senior or subordinated debt, stock and index options, and other specified securities.

Echinus Advisors expects that over time it will concentrate the Funds' investment activities on mid- and small-cap stocks where it can best obtain an analytical edge.

With respect to undervalued securities, the divergence of the price from fair value may result from several factors, such as the company in question being in an out-of-favor industry; having overlooked assets (such as net operating loss carryforwards, off-balance sheet assets, etc.); being subject to a complex or unusual event or circumstance (such as a spin-off, financial reorganization, etc.); being underfollowed by Wall Street; the financial markets failing to properly value or understand the true earnings or cash generation of the company; fear-driven overselling caused by uncertainties about a major event in the company's future (such as a pending lawsuit, an upcoming renegotiation of a large customer contract, etc.); or other reasons. Echinus Advisors is flexible in shifting portfolio allocation in an effort to invest at attractive prices in misvalued securities.

Echinus Advisors operates with the fundamental principle that it must believe that it has more thorough knowledge and/or deeper analysis of the Funds' portfolio companies than reflected in the market. Echinus Advisors therefore engages in proprietary fundamental research regarding a broad range of companies it believes may be misunderstood or neglected by other securities analysts and firms. This is a research-intensive, bottom-up approach that utilizes detailed analyses of financial statements and other regulatory filings, valuation analyses, speaking with management, customers and competitors, assessments of the company's competitive position, corporate governance, quality of management, and other information. Echinus Advisors seeks to identify through its research untapped levers to create or enhance value, such as unrecognized bargaining power over customers or suppliers, cost control, sub-optimal balance sheets or poor capital allocation. Investment decisions are made using Echinus Advisors' best judgment, based on analysis and synthesis of all relevant information.

In order to deploy the Funds' capital to investments that Echinus Advisors believes offer the most attractive opportunities for significant capital appreciation, the portfolio is typically highly concentrated and not broadly diversified. The majority of the Domestic Fund's portfolio is typically invested in 5-10 "best idea" core positions that are believed to have the potential to rise substantially in value. This means that Echinus Advisors will target investments that can generate attractive compound annual returns over at least a 3 to 5-year timeframe. Although there are no specific concentration limitations, the Investment Manager anticipates that generally no single investment position will be initiated that will exceed 25% or be less than 4% of the Fund's total value (other than in limited circumstances such as where the Fund is in the process of acquiring or exiting the position). The Co-Investment Vehicles' investment mandate is to invest in a very limited number of concentrated positions that are held in the Domestic Fund to allow certain investors to gain additional exposure to certain positions.

The Domestic Fund utilizes margin leverage with respect to its investment activities when deemed appropriate by Echinus Advisors. The Co-Investment Vehicles do not utilize leverage.

An investment in the Funds is subject to various risks, including the risk of loss, that all investors should be prepared to bear.

RISK RELATING TO INVESTMENT STRATEGY AND TECHNIQUE

Investing in the Funds involves a substantial degree of risk for the investor and is suitable only for persons having substantial financial resources who understand the long-term nature, the consequences, and the risks associated with the investment strategy utilized by Echinus Advisors. Some of those risks are summarized below. Prospective investors should carefully consider all the risks, which are described in detail in the offering documents for each of the Funds distributed to all potential investors in advance of their decision whether to invest. Prospective investors are also advised to consult their own legal, tax, and financial advisers about these risks and generally about an investment in the Funds.

Overall Investment Risk and Economic and Market Conditions. Securities investing, trading and other investment activities involve a high degree of risk of loss that investors must be prepared to bear. There can be no assurance that the Funds will be profitable or that the Funds will not incur losses or that any future distribution will be made to the Partners. Fund expenses may also exceed income. Neither prior successful investment management performance, recommendations or analysis by Echinus Advisors or any of its principals, nor any future successful fund performance, may be relied upon as assuring further successful performance. Many unforeseeable events, including actions by various government agencies, such as the Federal Reserve Board, and domestic and international economic and political developments, may cause sharp market fluctuations which could adversely affect the Funds. None of these factors are within the control of Echinus Advisors.

Echinus Advisors' Approach. There are two primary risks relating to the Funds' value-based investment strategy. First, Echinus Advisors may err in its assessment of the underlying value of particular investments. In other words, the spread between Echinus Advisors' perception of intrinsic value and market value (commonly referred to in value investing as the "margin of safety") proves to be insufficient (because of changes in business value, fraud, Acts of God or other events) to protect the investment or investments from loss. The second major risk is the possibility that the perceived discount to intrinsic value of the Funds' investments remains wide, or, widens further. Both of these risks can arise from company specific, sector specific, and/or overall market factors, among others. These risks are heightened if the Funds becomes fully invested at the beginning of an extended decline in market averages, i.e. a "bear market." Echinus Advisors seeks to mitigate this risk by preferring investments that have "catalysts" in place that should act to hasten or otherwise ensure the narrowing of the underlying discount. However, there is also a risk that the catalyst event does not occur or that it does occur but does not have the expected effect on market price.

Risk of Underperformance. By its nature, value investing is a contrarian approach that requires its practitioner to make investments that are out of favor with the majority of investors. Because Echinus Advisors intends to implement and remain committed to a value investing strategy, there may be quarters or years where the Funds' investment results "underperform" market averages or other popular investment strategies such as momentum investing, sector rotation and leveraged macro investing.

Long Term Nature and Illiquidity of Investment. The successful implementation of a value-based investment strategy requires a long-term investment horizon and the willingness to trade illiquidity for a bargain price. Investors that foresee short term cash needs, or are uncomfortable with illiquid investments, should not invest in the Funds.

Concentration of Investments. The Funds' investment portfolio, on account of size, investment strategy and other considerations, may at times be confined to the securities of relatively few issuers. Although Echinus Advisors does not typically invest more than 25% of the Domestic Fund's total equity in any single issuer, there are no limits regarding concentration as to industries or types of investments. Accordingly, by concentrating investments in several, relatively large security positions relative to fund capital, a loss in any such position could materially reduce the fund's performance or asset base, to the extent not offset by other gains.

Short Selling. The Domestic Fund also seeks opportunities to sell short the securities of companies whose stock prices appear to be excessive in relation to prospective earnings growth or intrinsic value. A short sale may present greater risk than purchasing a security "long" since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of a loss on a "long" position is limited to the purchase price of the security. Short positions may be used as a hedge against potential market risks or may be used opportunistically as a profit opportunity for the Domestic Fund.

Leverage. Echinus Advisors may at times incorporate the use of leverage afforded by margin borrowings. Consequently, fluctuations in the market value of the Domestic Fund's portfolio will have a greater effect relative to the fund's capital than would be the case in the absence of leverage. Risk of loss and the magnitude of possible gains are both increased by the use of leverage. Adverse market fluctuations, in the case of margin borrowings, may require the untimely liquidation of one or more investment positions.

Risks of Options. The Domestic Fund may engage in various types of option transactions both as an independent source of profit and as part of its hedging strategy. The trading of options is highly speculative and may entail risks that are greater than investing in other securities. Prices of options are generally more volatile than prices of other securities. A change in the market price of the underlying asset or index will cause a much greater change in the price of the option contract. In addition, to the extent that the Domestic Fund purchases options that they do not sell or exercise, it will suffer the loss of the premium it paid. To the extent the Domestic Fund sells options and must deliver the underlying securities at the option price, the Domestic Fund has an unlimited risk of loss if the price of the underlying security increases.

Regulatory Restrictions on Investments: At times that the Funds hold substantial positions in, have representatives on a board of directors, or are deemed to be an affiliate of a particular issuer, the Funds may become subject to certain securities laws restrictions that may impact the Funds' liquidity and portfolio management (e.g., Rule 144 under the 1933 Act, and the disclosure requirements of Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the short swing and disclosure requirements of Section 16 of the Exchange Act, the Hart-Scott-Rodino Antitrust Improvements Act and similar foreign securities and antitrust regulations). Additionally, in the event that (i) any of Echinus, its employees or affiliates comes

into possession of material non-public information regarding a particular public company or (ii) any of Echinus, its employees, affiliates or any investor becomes a member of the board of directors of a particular public company the Funds may be restricted in trading the securities of that company.

Foreign Investments. Echinus Advisors may invest in the securities of foreign issuers that trade either in foreign markets or in the United States as ADRs (American Depositary Receipts). This will subject the Funds to certain risks not typically associated with investing in securities of domestic companies. There is generally less publicly available information about foreign companies than domestic companies and the information that is available may be unreliable. Additionally, investing in the securities of companies (and, from time to time, governments) in certain countries (such as emerging nations or countries with less well regulated securities markets) involves certain considerations not usually associated with investing in securities of U.S. companies or the United States Government, including among other things: political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; the possible imposition of withholding or other taxes on income received from or gains with respect to such foreign securities; certain government policies that may restrict the Funds' investment opportunities; and in some cases less effective government regulation than is the case with securities markets in the United States.

Hedging Risks. Echinus Advisors may employ various hedging techniques, from time to time, in an effort to reduce the risk of holding investments in securities. There remains a risk, however, that appropriate hedging techniques may not always be available, may be available but not used by Echinus Advisors for various reasons or may be used but prove to be completely ineffective in limiting losses and in fact may exacerbate losses.

Cybersecurity Risks. Echinus' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Echinus has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Echinus may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Echinus' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients and investors (and the beneficial owners of investors). Such a failure could harm Echinus' reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of Echinus' information, technology or security systems could have an adverse impact on its ability to manage the private investment funds referred to herein.

Reliance on Philip Uhde. Mr. Uhde is responsible for all the major decisions affecting Echinus Advisors and the Funds. Should Mr. Uhde determine to discontinue managing the affairs of, or withdraw from, Echinus Advisors or should Mr. Uhde die, be incapacitated or, for some other

reason, be unable to effectively manage the affairs of Echinus Advisors business and results of the operations of the Funds may be adversely affected.

Certain Additional Risks. In addition, investors face potential indemnification of Echinus Advisors by the Funds, potential conflicts of interest, limited liquidity of their interests in the Funds and restrictions on withdrawals of capital. The offering documents of each of the Funds describe these and other risks in more detail.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to any client's or prospective client's evaluation of Echinus Advisors' advisory business or the integrity of its management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Echinus Advisors, nor its principals or any executive officer is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer, a futures commission merchant, and a commodity pool operator, a commodity trading advisor or an associated person of any of the foregoing entities.

Echinus Advisors and Echinus Capital are controlled by the same persons and are therefore related entities. Additionally, the Funds themselves may be considered related entities of Echinus Advisors. Other than as described in other sections of this brochure, neither Echinus Advisors, nor its principals or any executive officer has any relationship or arrangement with a related person that is material to its advisory business or its clients or could create a material conflict of interest with clients.

Neither Echinus Advisors, nor its principals or any executive officer has any relationship or arrangement with a related person that is material to its advisory business or investors or could create a material conflict of interest with investors.

Echinus Advisors and its principals are required to devote only so much of their time to the affairs of the Funds as they reasonably believe is necessary in good faith. Such persons are not prohibited from engaging in any other existing or future business or in other investment activities but these persons owe the Funds' investors an affirmative duty of utmost good faith, undivided loyalty, full and fair disclosure of all material facts, and an affirmative obligation to employ reasonable care to avoid misleading them.

Echinus Advisors' Code of Ethics also addresses potential conflicts of interest in cases where Echinus Advisors' employees serve as directors of companies whose securities Echinus Advisors or Echinus Advisors' supervised persons may purchase or sell on behalf of the Funds.

Neither Echinus Advisors, nor its principal, recommends or selects other investment advisers for the Funds.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Echinus Advisors recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its Investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of Investors come first; and (iii) it has a fiduciary duty to its Investors to act for their benefit. All Echinus Advisors personnel must put the interests of the Funds and its Investors before their own personal interests and must act honestly and fairly in all respects in dealings with Investors. All Echinus Advisors personnel must also comply with federal securities laws.

Accordingly, Echinus Advisors has adopted a written code of ethics (“Code of Ethics” or “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act, which requires that investment advisers adopt a Code of Ethics setting forth standards of business conduct and compliance with federal securities laws by all employees. Echinus Advisors’ Code of Ethics has three primary objectives, namely to ensure that Echinus Advisors’ employees: (1) place the interests of advisory clients first; (2) avoid taking inappropriate advantage of their position in the firm; and (3) that they prevent insider trading by protecting material non-public information.

Echinus Advisors’ employees must also avoid any personal interest outside of Echinus Advisors which could be placed ahead of their fiduciary obligation to Echinus Advisors and to Echinus Advisors’ advisory clients. Conflicts may exist even when there is an appearance of a conflict and no wrongdoing. The opportunity to act improperly may be enough to create the appearance of a conflict. Echinus Advisors recognizes and respects an employee’s right of privacy concerning personal affairs, but requires full and timely disclosure of any situation which could result in a conflict of interest or even the appearance of a conflict. Whether or not a conflict exists will be determined by the Chief Compliance Officer.

Currently, there are seven employees at Echinus Advisors, and all are bound by a personal trading policy as part of the Code. Specifically, this policy sets forth standards of ethical and business conduct expected of Echinus’s personnel and addresses conflicts that may arise from personal trading by Echinus personnel. The Code accordingly includes provisions designed to ensure compliance with the securities laws and to address conflicts of interest that are appropriate, practical and relevant to the operations of the firm.

Employees of Echinus Advisors may also serve as directors of companies whose securities Echinus Advisors or Echinus Advisors’ supervised persons may purchase or sell on behalf of the Funds. In connection with such services, such persons may receive directors’ fees or other similar compensation attributable to such employees’ services which will be given to the Domestic Fund. Also, by reason of its activities, Echinus Advisors will not be free to disclose or act upon such confidential activities where Echinus Advisors may acquire confidential information or be restricted from transacting in certain information and as a result may not initiate a transaction in which it otherwise might have engaged.

Echinus Advisors will provide a copy of its Code of Ethics upon request.

ITEM 12: BROKERAGE PRACTICES

Echinus Advisors has discretionary authority to determine the broker or dealer to be used for each securities transaction for the Funds. In selecting brokers or dealers to execute transactions, Echinus Advisors need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Echinus Advisors' practice to negotiate "execution only" commission rates, thus the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Echinus Advisors does utilize client commission dollars to obtain research services that fall within the safe harbor of Section 28(e). In the future, Echinus Advisors may use client commissions to obtain brokerage services or other products.

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (*i.e.*, connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

When Echinus Advisors uses client brokerage commissions to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for such research, products or services. In addition, research and brokerage services obtained by the use of commissions arising from the Funds' portfolio transactions may be used by Echinus Advisors in its other investment activities and thus, the Funds would not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. The research and other products or services provided by a particular broker-dealer also can create an incentive for an investment adviser such as Echinus Advisors to select or recommend that broker-dealer over others based on the adviser's interest in receiving the research, products or services rather than on its clients' interest in receiving most favorable execution.

In selecting brokers and negotiating commission rates, Echinus Advisors will take into account the financial stability and reputation of brokerage firms and the research, brokerage or other services provided by such brokers. Echinus Advisors may place transactions with a broker

or dealer that (i) provides it (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Funds or other products advised by Echinus Advisors (or an affiliate), if otherwise consistent with seeking best execution; provided Echinus Advisors is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

Echinus Advisors periodically evaluates the quality of services received from broker-dealers. In order to satisfy Echinus Advisors' fiduciary obligations, Echinus Advisors must consider the full range of factors and quality of a broker-dealer's services, including Echinus Advisors' ability to obtain a favorable best price and the ability to effect securities transactions, particularly with regard to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread on commission, if any); (ii) the execution, clearance, and settlement and error-correction capabilities of the broker-dealer; (iii) the broker-dealer's willingness to commit capital; (iv) the broker-dealer's reliability, integrity and financial strength; (v) transaction size; (vi) availability of securities to borrow for short sales; (vii) their expertise in particular markets; (viii) the comprehensiveness and frequency of available research services considered to be of value; and (ix) the competitiveness of commission rates in comparison with other brokers satisfying Echinus Advisors' other selection criteria. Although Echinus Advisors generally seeks the competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent.

Echinus Advisors may place transactions with a broker or dealer that (i) provides it (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Funds or other products advised by the Echinus Advisors (or an affiliate), if otherwise consistent with seeking best execution; provided Echinus Advisors is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

Trade Errors

Although there exists no standard definition of what constitutes trading errors, examples of trade errors include the following:

- Purchasing securities not legally permitted for the Funds, or not within a Funds' investment guidelines; and
- Purchasing or selling the wrong quantity of securities for the Funds.

Echinus Advisors has established trade processes and procedures designed to reduce the likelihood of errors and, in its sole discretion, will determine what constitutes a trade error.

Echinus Advisors' general policy is to seek to identify and correct any trade errors promptly and in a way that mitigates any losses. Trade errors in the Funds' account will be borne by the Funds unless an error is the result of bad faith, gross negligence, or willful misconduct by Echinus Advisors. Lost opportunity is not a reimbursable loss. Echinus Advisors will not be responsible for any indirect, consequential or punitive damages for purposes of this policy.

Echinus Advisors will use reasonable methods to calculate the reimbursement due to the Funds, if any. Echinus Advisors' process to correct trade errors may involve procedures required by applicable law, which may be complex and require coordination with multiple parties, and therefore, Echinus Advisor's ability to correct trade errors promptly will be based on the specific circumstances of the error.

Aggregating Orders

Trading occurs primarily at the Domestic Fund level, and based on the investment criteria, the same trade may be executed in the Co-Investment Vehicles. If the Advisor trades in both funds, the trade will be aggregated and allocated according to the guidelines of each fund since the Co-Investment Vehicles accepts more concentrated positions than the Domestic Fund. Client accounts participating in aggregated orders will be allocated securities based on the average price achieved for such trades.

ITEM 13: REVIEW OF ACCOUNTS

Philip Uhde, the managing member of Echinus Advisors and portfolio manager of the Funds, reviews the investment strategies and portfolio decisions of the Funds on an ongoing basis. The Co-Investment Vehicles invest in certain Fund securities and Mr. Uhde reviews the concentration of such investments in the Co-Investment Vehicles on an ongoing basis. There is no set of circumstances or factors that triggers a review. Instead, Mr. Uhde maintains daily oversight of positions held, risk exposure and proper settlement.

Investors of the Funds generally receive the following regular reports: (i) after the end of each fiscal year of the Funds, annual audited financial statements (including a balance sheet, income statement and statement of changes in net assets) for the recently completed fiscal year; (ii) a quarterly letter reviewing the investment performance; and (iii) annual tax information necessary for the completion of investor's US federal, state and local income tax returns, if applicable.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Echinus Advisors currently offers interests in the Domestic and Offshore Funds directly to potential investors who generally have a pre-existing relationship with Echinus Advisors or its affiliates or agents without utilizing third party placement agents; however, in the future Echinus Advisors may, in its discretion, sell interests or shares through broker-dealers, placement agents and other persons ("third-party marketers"). In this case, Echinus Advisors may pay a marketing fee or commission in connection with these activities, including ongoing payments, at Echinus Advisors' own expense. Payments by Echinus Advisors may include fees otherwise payable to Echinus Advisors or Echinus Capital. Under no circumstances may Echinus Advisors make payments in any form to any investor or other person having influence on the decision-making process of that investor or person (unless the person exercising influence is an employee of Echinus Advisors or has a solicitor relationship as described above) for the purpose of obtaining or retaining that investor or person as an investor in the Funds.

Echinus Advisors may effect securities transactions through a number of broker-dealers. By virtue of it conducting business with broker-dealers, Echinus Advisors may receive certain economic benefits from such broker-dealers which would not be received if it did not transact through the broker-dealers. These benefits may include, but are not limited to: access to an electronic communication network for order entry and account information; receipt of proprietary research; and participation in broker-dealer sponsored research and capital introduction conferences. Echinus Advisors understands the benefits received through its relationship with the broker-dealers (including its prime brokers) generally do not depend upon the amount of transactions directed to, or amount of assets custodied by, the broker-dealers.

Other than as described herein, Echinus Advisors does not currently have any arrangements with any third parties that involve any economic benefit to Echinus Advisors.

ITEM 15: CUSTODY

Echinus Advisors currently utilizes UBS Securities LLC, Interactive Brokers LLC, and Jefferies LLC as the qualified custodians for the Funds' assets. Echinus Advisors may change the custodian(s) at any time. Echinus Advisors has the authority to wire cash and/or pay expenses from the Funds and would be deemed to have custody of the Funds' assets under the Advisers Act. The Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles, issued with an unqualified opinion, and distributed within 120 days of the Funds' fiscal year end.

ITEM 16: INVESTMENT DISCRETION

Echinus Advisors buys and sells securities and other instruments for the Domestic Fund and Co-Investment Vehicles on a discretionary basis in a manner consistent with the Funds' investment objectives and restrictions, as set forth in the governing agreements and documents of the Funds. The Co-Investment Vehicles are managed based on the trading mandates identified in the respective limited partnership agreements.

Echinus Advisors is authorized to make the following determinations in accordance with the Funds' objectives and restrictions without obtaining prior consent of the Funds or Investor: (1) which securities or instruments to buy or sell; (2) the total amount of securities or instruments to buy or sell; (3) the executing broker or dealer for any transaction, and (4) the commission rates or commission equivalents charged for transactions.

ITEM 17: VOTING CLIENT SECURITIES

Echinus Advisors will vote proxies for the Funds when voting would be in the best interest of the Funds, as determined by Echinus Advisors in its sole discretion. The proxy voting policy of Echinus Advisors is to vote all proxies in the Funds' best interest on a case-by-case basis, considering the facts it deems material. Each proxy proposal is reviewed on a case-by-case basis by Mr. Philip Yang & Mr. Philip Uhde. Generally, the objective of Echinus Advisors is to vote proxies, in its judgment, in a manner that is most likely to maximize the value of the Funds'

investments. It is Echinus Advisors' policy generally to vote against any management proposals that it believes could prevent companies from realizing their maximum market value, or would insulate companies or management from accountability to shareholders or prudent regulatory compliance. Echinus Advisors will generally support proposals to authorize standard and necessary aspects of business operations, which will not typically have a significant effect on the value of the investment, such as name changes, elections of directors and employee stock purchase or ownership plans. The proxy voting policy also contains provisions regarding the steps it will take if it identifies a conflict of interest regarding voting.

Mr. Philip Yang, the Chief Compliance Officer of Echinus Advisors, oversees the process by which it votes proxies. Echinus Advisors' proxy voting policy is available upon request.

ITEM 18: FINANCIAL INFORMATION

Echinus Advisors (i) does not require or solicit prepayment of fees by clients six or more months in advance and is therefore not required to include a balance sheet for its most recent fiscal year, (ii) is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and (iii) has not been the subject of a bankruptcy petition at any time during the past ten years.